# GOVERNMENT OF INDIA
# PETROLEUM AND NATURAL GAS
# LOK SABHA

UNSTARRED QUESTION NO:1045
ANSWERED ON:07.03.2002
CONVERSION OF PETROL PUMPS SALE IN CONVENIO STORES
RAMESH CHAND TOMAR

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

(a) whether the Government are aware that oil PSUs had initially forced their dealers to convert part of petrol pumps sales rooms in the convenio stores and make investments on interior decoration and stocks and then asked them to dismantle it;

(b) if so, whether the Oil Corporation shall reimburse such losses to dealers;

(c) if not, the reasons therefor;

(d) whether these PSUs have also started subletting such sales partially to other companies in gross violation of the DDA bye-laws;

(e) whether the amount so earned by PSUs shall be deducted out of the amount of LFR earned from the respective dealers; and

(f) if not, the justification for the same?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MI OF PARLIAMENTARY AFFAIRS ( SHRI SANTOSH KUMAR GANGWAR )

(a) to (c) : `Convenio` stores is a brand name for convenience stores opened by M/s. Indian Oil Corporation Limited (IOCL) at their retail outlets. Investments for setting up of convenience stores have been made by the Oil Marketing Companies. There are no cases of Oil Marketing Companies having forced its dealers to convert part of their petrol pump sales rooms into convenience stores.

(d) : The oil industry, in the wake of emerging competition started adding various value added services at their retail outlets as a measure of extending conveniences to the motorists. Facilities such as ATMs, Cyber cafes, Fast food joints etc., were added at the retail outlets. In this manner the unused space at the retail outlets is utilised for improving the services and also to create additional revenue through non oil sales activities for the dealer network. Land is allotted in Delhi by the Delhi Development Authority (DDA) for opening retail outlets after a proper lease agreement is signed with the oil companies. However, for additional facilities as mentioned above, separate agreement for sub-letting have not been executed.

(e)&(f) : No, Sir. Licence Fee Recoveries (LFR) is uniform levey on type of site (`A` or `B` site) recovered towards the cost of investments made by the corporation on land & building, infrastructure, tanks and pumps etc.